

# **EXHIBIT 7**

**CATHOLIC IDENTITY AGREEMENT  
AMONG  
UMSJ HEALTH SYSTEM, LLC,  
UNIVERSITY OF MARYLAND ST. JOSEPH MEDICAL CENTER, LLC,  
UNIVERSITY OF MARYLAND MEDICAL SYSTEM,  
AND THE  
ROMAN CATHOLIC ARCHBISHOP OF BALTIMORE**

THIS CATHOLIC IDENTITY AGREEMENT (the "Catholic Identity Agreement") is entered into as of the 9th day of November 2012 between and among UMSJ Health System, LLC, a Maryland limited liability corporation ("UMSJHS"); University of Maryland St. Joseph Medical Center, LLC ("UMSJMC"), a Maryland limited liability corporation; the University of Maryland Medical System Corporation (the "Medical System"), a Maryland corporation, and the Roman Catholic Archbishop of Baltimore, and his successors in office, a corporation sole in the State of Maryland (the "Archdiocese"). UMSJHS and UMSJMC will be referred to herein jointly and severally as "UMSJHS/UMSJMC."

**RECITALS**

WHEREAS, St. Joseph Medical Center, Inc. ("SJMC") owns and operates a general acute care hospital located at 7601 Osler Drive, Towson, Maryland along with certain property owned or controlled pursuant to a long term lease;

WHEREAS, SJMC is Roman Catholic in origin and philosophy, and has a strong and long-lasting tradition founded in the Catholic faith;

WHEREAS, UMSJHS/UMSJMC is an affiliate of the Medical System, which is non-Catholic in origin and philosophy with a strong and long-lasting tradition as a non-profit academic medical center and community health system;

WHEREAS, UMSJHS/UMSJMC and the Medical System are entering into an Asset Purchase Agreement with SJMC and its corporate parent, Catholic Health Initiatives, Inc. ("CHI"), a Catholic health system based in Colorado, to acquire the assets of SJMC;

WHEREAS, upon the closing date of the Asset Purchase Agreement, UMSJHS/UMSJMC will become the owner and operator of certain real property and improvements, furniture, fixtures, equipment, and other tangible and intangible assets related to the operation of the hospital and the provision of health care services, as well as related subsidiaries (collectively referred to herein as UMSJHS/UMSJMC);

WHEREAS, the Archdiocese is committed to the maintenance of the tradition of Catholic health care in Maryland;

WHEREAS, UMSJHS/UMSJMC and the Medical System desire for UMSJHS/UMSJMC to be operated as a Catholic hospital after the assets have been transferred to UMSJHS/UMSJMC and UMSJHS/UMSJMC begins to operate the facility;

WHEREAS, approval by the Roman Catholic Church is a condition of closing under the Asset Purchase Agreement, and Archbishop William Lori has relied on this Catholic Identity Agreement as a substantial reason for providing his *nihil obstat* under canon law to the Holy See in support of the required Church approval;

WHEREAS, UMSJHS/UMSJMC, the Medical System and the Archdiocese agree to maintain the Catholic character of UMSJHS/UMSJMC and to use this Catholic Identity Agreement as a framework within which to continue authentic Catholic traditions and practices; and

WHEREAS, UMSJHS/UMSJMC and the Medical System believe that it is in the best interest of the communities served by UMSJHS/UMSJMC to enter into this Catholic Identity Agreement to preserve the UMSJHS/UMSJMC as a Catholic institution.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises contained in this Catholic Identity Agreement and intending to be legally bound, the parties hereto agree as follows:

## ARTICLE 1

### FUNDAMENTAL PRINCIPLES

1.1 Recitals. The Recitals set forth above are true and correct and are hereby incorporated into this Catholic Identity Agreement.

1.2 Fundamental Principles Regarding Catholic Identity.

1.2.1 UMSJHS/UMSJMC will operate in a manner that maintains its designation by the Archdiocese as a Catholic institution. In order to accomplish this, UMSJHS/UMSJMC will be operated in accordance with the Ethical and Religious Directives for Catholic Health Care Services (the "Directives"), as amended from time to time and approved by the United States Conference of Catholic Bishops and as interpreted by the Roman Catholic Archbishop of Baltimore (the "Archbishop"). A copy of the current Directives is attached hereto as Exhibit 1.1 and incorporated by reference herein (if the Directives are amended, such amended Directives will be deemed attached hereto as the Successor Exhibit 1.1 and incorporated herein by reference).

1.2.2 While maintaining the oversight authority provided herein, the Archdiocese has not and is not acquiring, directly, or indirectly, any assets of UMSJHS/UMSJMC as ecclesiastical property.

1.2.3 At any time during which there is no Archbishop of Baltimore, the administrator of the Archdiocese of Baltimore under canon law may take any and all actions that the Archdiocese or Archbishop of Baltimore is authorized or permitted to take under this Catholic Identity Agreement.

1.3 Limited Application.

1.3.1 Nothing in this Catholic Identity Agreement will be construed to prohibit or limit the authority of UMSJHS/UMSJMC to consolidate administrative, management or other business functions of UMSJHS/UMSJMC with the Medical System or any Medical System affiliate.

1.3.2 This Catholic Identity Agreement will apply only to the operations of UMSJHS/UMSJMC. In no event will this Catholic Identity Agreement or any of its terms and conditions, including, but not limited to the Directives, apply to the Medical System, any Medical System subsidiary or affiliate or any Medical System location, other than UMSJHS/UMSJMC. A corporate merger or other corporate reorganization by which UMSJHS/UMSJMC is combined into a single legal entity with other Medical System entities, properties, facilities or programs may lead to the termination of this Catholic Identity Agreement by the Archdiocese.

1.4 Official Catholic Directory.

Following the closing date of the Asset Purchase Agreement, the Archdiocese will list UMSJHS/UMSJMC in the Official Catholic Directory in the Miscellaneous Category as long as UMSJHS/UMSJMC is eligible for such listing.

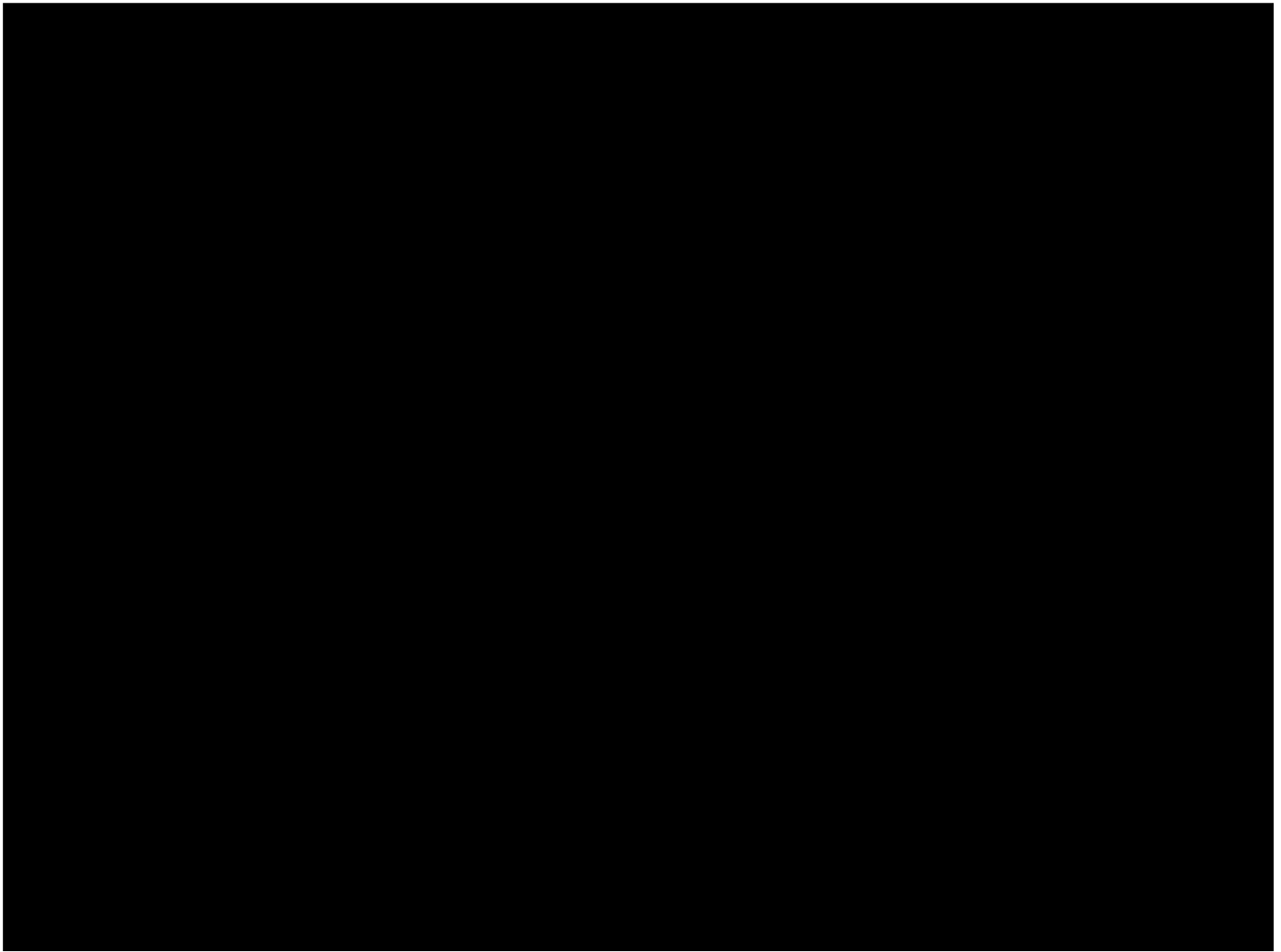
1.5 Effective Date.

This Catholic Identity Agreement shall become effective upon the closing date of the Asset Purchase Agreement.



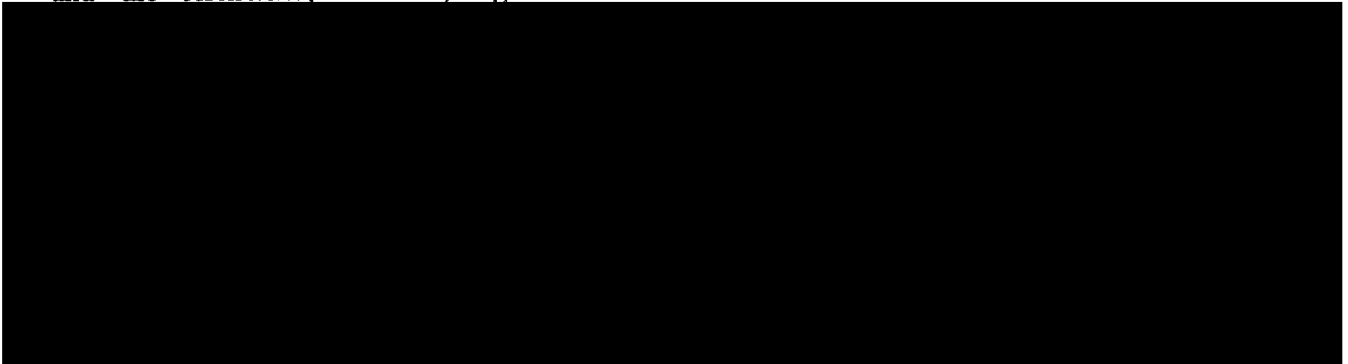






2.12 Audit of Catholic Identity.

2.12.1 Every two years, UMSJHS/UMSJMC will undergo an audit of its adherence to the Directives. The National Catholic Bioethics Center will conduct the audit unless UMSJHS/UMSJMC and the Archbishop mutually agree to a different Catholic ethicist to conduct the audit.

























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**Exhibit 2.1 (1)**  
**Articles of Organization**  
**UMSJ Health System, LLC**  
(attached)

**ARTICLES OF ORGANIZATION  
OF  
UMSJ HEALTH SYSTEM, LLC**

It is hereby certified that:

1. Recital. The undersigned has been designated as an "authorized person," as that term has been defined in Section 4A-101(c) of the Maryland Limited Liability Act (the "Act"), for purposes of executing and filing these Articles of Organization of UMSJ HEALTH SYSTEM, LLC (the "Company") and any other documents or certificates that may be required to be filed on behalf of the Company with the State Department of Assessments and Taxation of Maryland from time to time.

2. Name. The name of the Company is:

**UMSJ HEALTH SYSTEM, LLC**

3. Purposes.

3.1. *Tax Exempt Purposes*. The Company is organized for charitable, scientific and educational purposes within the meaning of Section 501(c) (3) of the Internal Revenue Code of 1986 and the regulations thereunder as they now exist or may hereafter be amended (hereinafter, collectively referred to as the "Code"), including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under said section. No part of the net earnings of the Company shall inure to the benefit of, or be distributable to any private individuals, except that the Company shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its purposes. No substantial part of the activities of the Company shall be the carrying on of propaganda, or otherwise attempting to influence legislation, except as permitted by Sections 501(h) and 4911 of the Code or any subsequent federal tax laws. The Company shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of this Agreement, the Company shall not carry on any other activities not permitted to be carried on (1) by an entity exempt from federal income tax under Section 501(a) described in Section 501(c)(3) of the Code; or (2) by an entity, contributions to which are deductible under Section 170(c)(2) of the Code.

3.2. *General Purpose*. In furtherance of its tax exempt purposes, the Company may engage in any lawful act or activity for which limited liability companies may be formed under the Act and to engage in any and all activities necessary or incidental thereto.

4. Principal Office and Resident Agent. The address of the principal office of the Company is 250 West Pratt Street, 24<sup>th</sup> Floor, Baltimore, Maryland 21201. The name of the

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resident agent of the Company is Megan M. Arthur, Esquire, and the post office address of the resident agent is 250 West Pratt Street, 24<sup>th</sup> Floor, Baltimore, Maryland 21201.


5. Agency. Pursuant to Section 4A-401(a)(3) of the Act, no member of the Company shall be an agent of the Company solely by virtue of being a member, and no member of the Company shall have the authority to act for the Company solely by virtue of being a member.

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[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the undersigned organizer of the Company has executed these Articles of Organization on this 13<sup>th</sup> day of August, 2012.

  
Megan M. Arthur, Esquire  
Authorized Person

I, Megan M. Arthur, Esquire, hereby consent to act as resident agent for UMSJ Health System, LLC.

  
Megan M. Arthur, Esquire  
Authorized Person

CUST ID:0002796470  
WORK ORDER:0004013050  
DATE:08-17-2012 11:41 AM  
AMT. PAID:\$155.00







































































































































